

information to make trades of ISE stocks and stock options ahead of the market.

Specifically, from 2006 through 2007, MARSHALL obtained the material, non-public information regarding the ISE-Eurex merger from meetings of the ISE Board of Directors and Executive Committee in the months preceding the April 2007 announcement of the merger. Upon receiving the inside information from MARSHALL, TUCKER and LARSON transferred almost half a million dollars in funds from an MTA bank account to a brokerage account at Ameritrade, through which TUCKER purchased hundreds of ISE call options with strike prices higher than the market price of the underlying security (known as "out-of-the-money" call options). Purchasers of this kind of options are betting that the price of the underlying stock will rise. LARSON and TUCKER also bought ISE common stock for their personal accounts.

After the announcement of the ISE-Eurex merger, the value of TUCKER's options increased dramatically, resulting in a profit of approximately \$1.053 million. Similarly, LARSON made purchases of ISE common stock in his personal Ameritrade brokerage account. After the merger announcement and resulting increase in ISE stock price, LARSON sold his shares for a substantial profit as well.

MARSHALL, TUCKER, and LARSON surrendered earlier today and are expected to be presented before the United States Magistrate Judge later today in Manhattan federal court.

MARSHALL, TUCKER, and LARSON are each charged with one count of conspiracy to commit securities fraud and ten counts of securities fraud. The conspiracy charge carries a maximum sentence of 5 years in prison and a maximum fine of the greater of \$250,000, or twice the gross gain or gross loss from the offense. Each securities fraud count carries a maximum sentence of 20 years in prison and a maximum fine of \$5 million, or twice the gross gain or gross loss from the offense.

MARSHALL, 55, resides in Stony Brook, New York. TUCKER, 46, resides in Yardley, Pennsylvania. LARSON, 44, resides in Miller Place, New York.

Mr. GARCIA, a member of the President's Corporate Fraud Task Force, praised the work of the SEC and the FBI in the investigation of this case.

Assistant United States Attorney GLEN G. McGORTY is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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